

TOWNSHIP OF EWING
AUDITED FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTAL INFORMATION
AND SUPPLEMENTAL REPORT
YEAR ENDED MARCH 31, 2007

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name EWING TOWNSHIP	County MARQUETTE
Audit Date MARCH 31, 2007	Opinion Date AUGUST 28, 2007	Date Accountant Report Submitted to State: AUGUST 28, 2007	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) RAY PAYMENT, CPA			
Street Address 617 LUDINGTON STREET	City ESCANABA	State MI	ZIP 49829
Accountant Signature 			

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RAYMOND L. PAYMENT
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August 28, 2007

INDEPENDENT AUDITOR'S REPORT

Supervisor and Members of the Board
Ewing Township
Marquette County, Michigan

I have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Ewing Township as of and for the year ended March 31, 2007, which collectively comprise the basic financial statements of Ewing Township as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of Ewing Township as of March 31, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note A, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments, as amended and interpreted, as of April 1, 2006.

The management's discussion and analysis and budgetary comparison information on pages 5 through 9 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements. The accompanying Other Financial Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Ray L. Payment", is written over a faint, larger signature that also appears to read "Ray L. Payment".

Ray L. Payment
Certified Public Accountant

TOWNSHIP OF EWING
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2007

Management's Discussion and Analysis

This section of the Ewing Township annual financial report presents our discussion and analysis of the Township's performance during the year ended March 31, 2007. It is to be read in conjunction with the Township's financial statements, which immediately follow. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments, as amended and interpreted, and is intended to provide the financial results for the fiscal year ending March 31, 2007. This is the first year of GASB 34 implementation. As a result the financial report is presented differently than previous years. Because this is the first year of implementation of GASB Statement No. 34, prior-year data is not available but will be provided in subsequent years for comparative purposes.

Government-wide Financial Statements

The Government-wide financial statements appear first in the financial report. These financial statements include the statement of net assets and the statement of activities. They report information about the Township as a whole. The statements are prepared using the accrual method of accounting which is the accounting used by most private sector businesses. The statement of net assets includes all of the Township's assets and liabilities except the fiduciary funds. All current year revenues and expenses are reported in the statement of activities. The two statements report the governmental activities of the Township that include all services performed by the Township. These activities are funded primarily by property taxes and by and state grants.

The statement of net assets reports the Township's assets and liabilities. The corresponding balance between the assets and liabilities equals the net assets of the Township. This statement measures the financial strength of the Township; the greater the net asset figure, the healthier the financial position of the Township generally is. It helps management determine if the Township will be able to fund current obligations and whether they have resources available for future use.

The statement of activities shows the current year change in net assets on a revenue less expense basis. It shows the operating results for a given year of the Township. Any excess of revenues over expenditures results in a surplus for the year that in turn increases the net assets (or reduces a deficit) available to fund future needs of the Township.

TOWNSHIP OF EWING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fund Financial Statements

The Township's fund financial statements show a detail of funds that are determined to be significant, called major funds. The funds that are separately stated as the major fund are the General Fund and Special Revenue Fund.

Governmental funds are accounted for by the modified accrual method of accounting (flow of current financial resources measurement focus). This method records revenues when all applicable eligibility requirements are met and resources are available to finance expenditures of the fiscal period. Expenditures are recorded when the related liability is incurred. The governmental fund financial statements show the detail of operations for a given year according to this method of accounting. This is similar to how the Township reported their finances in the past. The individual fund statements help management determine what financial resources are available on a short-term basis to fund operations.

Although the government-wide financial statements and the fund financial statements use different methods of accounting to report the Township's financial condition, there are no current year differences between the two types of statements except depreciation expense and fixed assets.

Fiduciary funds, such as the Tax Collection Fund, is reported in the fiduciary fund financial statement, but is excluded from the government-wide reporting. The fiduciary fund financial statement reports resources that are not available to fund Township programs. The fiduciary fund financial statement reports similarly to governmental funds.

TOWNSHIP OF EWING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Statements - Condensed Financial Information

Statement of Net Assets

The following is a March 31, 2007 condensed statement of net assets with a detailed analysis of the statement below.

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and CD's	\$ 108,941
Receivables - property taxes	<u>4,587</u>
Total Current Assets	\$ 113,528
Noncurrent Assets -	
Capital assets, net of accumulated depreciation	<u>80,784</u>
Total Assets	<u>\$ 194,312</u>
NET ASSETS	
	<u>\$ 194,312</u>
Invested in capital assets, net of related debt	\$ 80,784
Unrestricted	<u>113,528</u>
Total Net Assets	<u>\$ 194,312</u>

The Township's total net assets are \$194,312 at March 31, 2007. Capital assets are \$80,784. This figure is derived by taking the original cost of the Township's assets and subtracting accumulated depreciation to date.

TOWNSHIP OF EWING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Statements - Condensed Financial Information

Statement of Net Assets (Continued)

The total unrestricted net assets are \$113,528 as of March 31, 2007. This is the net accumulated result of the current and past years' operations. The balance in the unrestricted net assets shows that the Township has an ample amount of assets to fund liabilities at March 31, 2007.

Statement of Activities

The results of operations for the Township as a whole are reported in the statement of activities. This statement reports the changes in net assets for the fiscal year ended March 31, 2007. Since this is the first year the Township has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to the previous year are not made.

	<u>Governmental Activities</u>
Revenue:	
Program Revenues:	
Charges for services	\$ 4,024
General Revenues:	
Taxes	49,250
State and federal grants	11,004
Interest	2,075
Other revenue	<u>2,990</u>
<div style="text-align: right;">Total Revenue</div>	<div>\$ 69,343</div>
Program expenses -	
Governmental activities	<u>56,597</u>
<div style="text-align: right;">Increase in Net Assets</div>	<div><u>\$ 12,746</u></div>

The Township had an overall increase in net assets of \$12,746 for the year ended March 31, 2007. The Township's revenues totaled \$69,343.

TOWNSHIP OF EWING
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Activities (Continued)

The Township's total cost to fund governmental activities was \$56,597. A majority of these costs were funded by property taxes and state grants. This shows the Township has reliance on property taxes and grants to provide future funding for its programs and administrative costs.

Governmental Fund Budgetary Items

A schedule showing the Township's final budget and the actual results are included as required supplementary information in the financial section of the audit report.

Capital Assets

At March 31, 2007, the Township had \$80,784 invested in capital assets net of accumulated depreciation.

Debt

The Township had no outstanding debt at March 31, 2007.

Future Considerations

The change in state aid payments along with State budget cuts will impact the financial condition of the Township. The Township has adopted a budget for the upcoming fiscal year that should not over expend it's funding and leave the Township with a positive Fund Balance.

Contacting the Township

If you have any questions about this report or need additional information, contact the Township offices.

BASIC
FINANCIAL
STATEMENTS

TOWNSHIP OF EWING
STATEMENT OF NET ASSETS

March 31, 2007

ASSETS

CURRENT ASSETS:

Cash and CD's	\$ 108 941
Receivables - property taxes	<u>4 587</u>

TOTAL CURRENT ASSETS	\$ <u>113 528</u>
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NONCURRENT ASSETS

Capital assets	96 253
Less accumulated depreciation	<u>(15 469)</u>

TOTAL NONCURRENT ASSETS	<u>80 784</u>
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TOTAL ASSETS	\$ <u>194 312</u>
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NET ASSETS	\$ <u>194 312</u>
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Invested in capital assets, net of related debt	\$ 80 784
Unrestricted	<u>113 528</u>

TOTAL NET ASSETS	\$ <u>194 312</u>
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The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF EWING
STATEMENT OF ACTIVITIES

March 31, 2007

						<u>Governmental Activities</u>
						<u>Net (Expense)</u>
						<u>Revenue and</u>
						<u>Changes in</u>
						<u>Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:						
Legislative General	\$ 2 404	\$ -		\$ -		\$ (2 404)
Government	35 200	-		-		(35 200)
Public Works	4 692	-		-		(4 692)
Other functions	10 432	4 024		-		(6 408)
unallocated - depreciation	<u>3 869</u>	<u>-</u>		<u>-</u>		<u>(3 869)</u>
Total Governmental Activities	\$ 56 597	\$ 4 024		\$ -		\$ (52 573)
General revenues:						
Property Taxes, CFA, and Swamp Tax						\$ 49 250
State and federal grants						11 004
Interest						2 075
Other revenue						<u>2 990</u>
Total General Revenues						<u>65 319</u>
Changes in Net Assets						\$ 12 746
Net assets at April 1, 2007						<u>181 566</u>
Net assets at March 31, 2007						<u>\$ 194 312</u>

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF EWING
BALANCE SHEET - GOVERNMENTAL FUNDS

March 31, 2007

ASSETS

	<u>General Fund</u>	<u>Road Fund</u>	<u>Total</u>
Cash and CD's	\$ 73 779	\$ 35 162	\$ 108 941
Receivables - property taxes	<u>3 079</u>	<u>1 508</u>	<u>4 587</u>
 TOTAL ASSETS	 <u>\$ 76 858</u>	 <u>\$ 36 670</u>	 <u>\$ 113 528</u>

LIABILITIES AND FUND EQUITY

Fund Equity - unreserved fund balance	<u>\$ 76 858</u>	<u>\$ 36 670</u>	<u>\$ 113 528</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 76 858</u>	 <u>\$ 36 670</u>	 <u>\$ 113 528</u>

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF EWING
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
WITH THE STATEMENT OF NET ASSETS

March 31, 2007

Total fund equity of governmental activities	\$113 528
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Amounts reported for governmental activities in the
statement of net assets are different because:

Additions:

Capital assets used in government activities
are not financial resources and therefore are
not reported as assets in governmental funds.

Cost of capital assets	\$ 96 253	
Accumulated depreciation	<u>(15 469)</u>	<u>80 784</u>

Total net assets of governmental activities	<u>\$194 312</u>
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The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF EWING
COMBINED STATEMENT OF REVENUES, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR YEAR ENDED MARCH 31, 2007

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
CASH RECEIPTS:			
Taxes - current	\$ 26 323	\$ 12 889	\$ 39 212
C.F.A.	428	211	639
State revenue sharing	11 004	-	11 004
Swamp tax	9 399	-	9 399
Charges for services:			
Garbage collection	4 024	-	4 024
Interest	2 075	-	2 075
Reimbursements & Miscellaneous	2 990	-	2 990
	<u>56 243</u>	<u>13 100</u>	<u>69 343</u>
TOTAL RECEIPTS			
CASH DISBURSEMENTS:			
Legislative:			
Township board expenses	2 404	-	2 404
General Government:			
Supervisor	4 791	-	4 791
Clerk	4 189	-	4 189
Treasurer	4 863	-	4 863
Assessor	2 700	-	2 700
Payroll taxes and pension	3 782	-	3 782
Insurance	5 489	-	5 489
Township Hall	2 365	-	2 365
Board of Review and tax collection	1 642	-	1 642
Elections	2 621	-	2 621
Dues and miscellaneous	2 758	-	2 758
Highways and Roads	-	4 692	4 692
Sanitary landfill and transfer station	10 432	-	10 432
	<u>48 036</u>	<u>4 692</u>	<u>52 728</u>
TOTAL DISBURSEMENTS			
EXCESS OF REVENUES OVER (UNDER) DISBURSEMENTS	\$ 8 207	\$ 8 408	\$ 16 615
FUND BALANCE, April 1, 2006	<u>68 651</u>	<u>28 262</u>	<u>96 913</u>
FUND BALANCE, March 31, 2007	<u>\$ 76 858</u>	<u>\$ 36 670</u>	<u>\$ 113 528</u>

The accompanying notes are an integral part
of the financial statements.

NOTES
TO
FINANCIAL
STATEMENTS

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS

March 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ewing Township operates under and elected Board of Trustees. The financial statements of the Township have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial-reporting principles. The more significant of the Township's accounting policies are described below.

Financial Reporting Entity

In conformity with generally accepted accounting principles, other autonomously operated governmental organizations are not considered to be part of the Township entity for financial-reporting purposes. The criteria established for determining the various governmental organizations to be included in the Township's financial statements include oversight responsibility, scope of public service and special financing relationships.

On this basis, the financial statements of the local school district are not included in the financial statements of the Township. Educational services are provided to citizens through the local school district, which is a separate governmental entity.

Basis of Presentation

Governmental-wide Financial Statements

The Township government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all of the activities of the Township except for the fiduciary activities. All of the Township activities are considered to be governmental activities. There was no interfund activity to be eliminated in the Governmental-wide financial statements.

Fund-based Financial Statements

Separate financial statements are provided on the basis of funds, each of which is considered a separate fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Governmental and fiduciary funds are provided. The Township reports the General and Special Revenue Funds as the Major Fund.

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund-based Financial Statements (Continued)

Governmental Fund Type

General Fund and Special Revenue Funds - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. The fund includes the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state and federal grants and various local sources. The Special Revenue Funds account for revenues and expenditures to be used as per legal or regulatory provisions.

Fiduciary Fund Type

The Tax Fund is used to account for assets held by the Township in a trustee capacity. This fund is custodial in nature and does not involve measurement of results of operations.

Basis of Accounting

Government-wide Financial Statements

The Governmental-wide financial statements report all financial and capital assets, short and long-term liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting. All revenue is recorded when earned and expenses are recorded when a liability is incurred.

The Statement of Activities reports net cost information based on the Township's functions. Direct expenses are listed by function with program revenues for each function offset against those expenses. Program revenues include charges for services that are fees and other charges to the users or recipients of the services the Township provides. Program revenues also include operating grants and contributions that are restricted for a particular purpose. Property taxes, nonrestricted state and federal aid and other revenues that are not program revenues are reported as general revenues.

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Fund-based Financial Statements

Governmental fund types and Agency Funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus). Under the modified accrual basis of accounting, revenues are recorded when all applicable eligibility requirements are met and resources are available (often referred to as "susceptible to accrual"). Revenues are available when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The Township considers revenues to be available if they are expected to be collected within 60 days of the end of the year, except that tax revenues, fees and nontax revenues are recognized when received. Grants, entitlements and shared revenues are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when all applicable eligibility requirements of the grants are met and resources are available. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due. The Township has no long-term debt.

Budgets and the Budgetary Process

The Township Board adopts an annual operating budget, which can be amended by the Board throughout the year. Formal budgetary accounting is employed as a management control for the Township. For budgetary purposes, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of generally accepted accounting principles. For this reason, there is no common basis for preparing a reconciliation between budgeted and actual amounts. The budgeted financial statements presented in this report reflect the final budget authorization, including all amendments. Budgets are adopted on the functional level and lapse at the end of the year.

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax Revenues

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 of the ensuing year with the final collection date of February 28 before they are added to the delinquent rolls. The Township records property taxes as a receivable and a revenue as collections are made, when monies are available for use to finance Township operations. Delinquent real property taxes of the Township and all other local units are purchased annually by the County. The Township bills and collects its own property taxes and also collects current rolls for the County, Intermediate School District and Local School District.

Capital Assets and Depreciation

Capital assets include land, buildings and improvements and equipment and are reported in the Government-wide financial statements. Capital assets are defined by the Township as assets with an acquisition cost of generally more than \$100 or betterments totaling \$1,000 with an estimated useful life in excess of five years. Assets meeting this criteria are recorded at historical cost or estimated historical costs if the amount is not known. Any donated capital assets are recorded at estimated fair market value at the date of donation. The costs of capital assets are charged to expense using an annual allocation of depreciation expense. Taking the depreciable cost of an asset and dividing that cost by its estimated useful life calculates the annual expense. The expense is recorded on the Government-wide Statement of Activities and included as a direct expense of an identifiable function if the assets sole purpose can be identified as being for that function. Depreciation expense (unallocated) is the amount of depreciation expense that cannot be charged to any particular function.

The Capital assets are depreciated using the straight-line method over the following useful lives:

Land	Not depreciated
Buildings and improvements	25-50 years
Equipment	5-10 years

Investment in Capital Assets

This is a portion of net assets of the Township that consists of capital assets, net accumulated depreciation. The Township had net investment in capital assets at March 31, 2007 of \$80,784.

Restricted Assets

Net assets are restricted when there are constraints placed on their use by external parties or by statute. The Township has no restricted assets at March 31, 2007.

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted Net Assets

Net assets not meeting either criteria above are considered unrestricted.

Fund Equity

The unreserved fund equity for governmental funds represent the amount available for budgeting future operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Accounting Change

Effective April 1, 2006, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB No. 34). Significant changes to the Township's financial statements as a result of GASB No. 34 are as follows:

Management Discussion and Analysis - provides analysis of the Township's overall financial position and results of operations as reported by the Township's management.

Government-wide financial statements - Statement of Net Assets and Statement of Activities are prepared using the full accrual basis of accounting that includes all of the Township's activities.

Capital assets - recorded in the governmental activities statement of net assets at March 31, 2007 are \$80,784 along with \$15,469 of accumulated depreciation of those capital assets. The March 31, 2005 financial statements reported fixed assets in the General Fixed Assets Account Group (GFAAG) that has been eliminated for reporting purposes. No change was reported in the historical cost of the assets from the GFAAG to the current April 1, 2006 beginning capital assets balance.

Major funds - fund-based financial statements focus on major funds rather than fund-types. Major funds are determined based on the comparison of activity of individual governmental funds to total governmental fund activity.

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE B - CASH INFORMATION

All deposits were made either in banks insured by federal depository insurance or with an investment broker who purchased certificates of deposit insured by federal depository insurance. Deposits were made in accordance with State of Michigan statutes and under authorization of the Township Board.

At March 31, 2007 total cash and certificates of deposit as reported by banks and investment broker amounted to \$108,841, of which \$108,941 was covered by depository insurance.

NOTE C - PROPERTY TAXES

A summary of the 2006 tax roll follows:

<u>Taxing Unit</u>	<u>Mills</u>	<u>Spread</u>	<u>Delinquent</u>	<u>Collected</u>
County	7.6301	\$ 49 219	\$ 4 805	\$ 44 414
State education tax	6.0000	36 293	530	35 763
Local school	25.6086	113 166	9 998	103 168
Intermediate school	2.3851	15 367	1 797	13 570
Township - General	4.0843	26 322	3 079	23 243
- Roads	2.0000	12 889	1 507	11 382
Tri-Township Fire	<u>.9070</u>	<u>5 850</u>	<u>683</u>	<u>5 167</u>
TOTALS	<u>48.6151</u>	<u>\$ 259 106</u>	<u>\$ 22 399</u>	<u>\$ 236 707</u>
Taxable Valuation				<u>\$ 6 452 278</u>

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE D - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Public Act 275 of 1980 Disclosure

The Township had no funds with a deficit as of March 31, 2007.

Public Act 621 of 1978 Disclosure

Public Act 621 of 1978, as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. The Township was in substantial compliance with the Act.

NOTE E - PROPERTY TAX ADMINISTRATION FEE

The Township has not established a subsidiary ledger to account for costs incurred in collection, assessing and reviewing of property tax levies as required by Public Act 503 of 1982. A summary of the transactions that would affect the balance sheet equity account for the ended March 31, 2007, follows:

Receipts from charging administrative fee	\$ 935
Cost incurred	<u>(6 074)</u>
Excess of costs	<u>\$ (5 139)</u>

NOTE F - CAPITAL ASSETS

Following is a summary of changes in capital assets during the year ended March 31, 2007:

	Balance at April 1, 2006	Additions	Disposals	Balance at March 31, 2007
<u>Governmental Activities</u>				
Assets:				
Buildings and improvements	\$ 96 253	\$ -	\$ -	\$ 96 253
Less accumulated depreciation	<u>(11 600)</u>	<u>3 869</u>	<u>-</u>	<u>(15 469)</u>
Net Capital Assets	<u>\$ 84 653</u>	<u>\$ 3 869</u>	<u>\$ -</u>	<u>\$ 80 784</u>

TOWNSHIP OF EWING
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE G - RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Township has obtained coverage from commercial insurance companies.

All risk management activities are accounted for in the General Fund of the Township. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

Management estimates that the amount of actual or potential claims against the Township as of March 31, 2007, will not materially affect the financial condition of the Township. Therefore, the financial statements contain no provisions for estimated claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

REQUIRED
SUPPLEMENTAL
INFORMATION

TOWNSHIP OF EWING
 COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CASH BASIS
 GENERAL FUND AND SPECIAL REVENUE FUNDS

MARCH 31, 2007

	General Fund		
	Actual Amount	Budget Amount	Variance Favorable (Unfavorable)
CASH RECEIPTS:			
Taxes	\$ 36 150	\$ 29 645	\$ 6 505
State revenue sharing	11 004	11 000	4
Charges for services:			
Garbage collection	4 024	4 100	(76)
Interest	2 075	1 900	175
Reimbursements & miscellaneous	2 990	3 000	(10)
TOTAL RECEIPTS	<u>56 243</u>	<u>49 645</u>	<u>6 598</u>
CASH DISBURSEMENTS:			
Township board	2 404	2 450	46
Township supervisor	4 791	4 750	(41)
Board of review & tax collection	1 642	1 800	158
Assessor	2 700	2 700	-
Township clerk	4 189	4 300	111
Payroll taxes and pension	3 782	3 900	118
Treasurer	4 863	5 050	187
Township hall and insurance	7 854	7 900	46
Sanitary landfill	10 432	11 450	1 018
Highways and roads	-	-	-
Dues and miscellaneous	2 758	2 680	(78)
Elections	2 621	2 625	4
TOTAL DISBURSEMENTS	<u>48 036</u>	<u>49 605</u>	<u>1 569</u>
EXCESS OF REVENUES OVER (UNDER) DISBURSEMENTS	8 207	40	8 167
FUND BALANCE, April 1, 2006	<u>68 651</u>	<u>68 651</u>	<u>-</u>
FUND BALANCE, March 31, 2007	<u>\$ 76 858</u>	<u>\$ 68 691</u>	<u>\$ 8 167</u>

The accompanying notes are an integral part
 of the financial statements.

<u>Road Fund</u>		
<u>Actual Amount</u>	<u>Budget Amount</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 13 100	\$ 2 000	\$ 11 100
-	-	-
-	-	-
-	-	-
-	-	-
<u>13 100</u>	<u>2 000</u>	<u>11 100</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4 692	28 400	23 708
-	-	-
-	-	-
<u>4 692</u>	<u>28 400</u>	<u>23 708</u>
8 408	(26 400)	34 808
<u>28 262</u>	<u>28 262</u>	<u>-</u>
\$ 36 670	\$ 1 862	\$ 34 808
<u><u>36 670</u></u>	<u><u>1 862</u></u>	<u><u>34 808</u></u>

OTHER
FINANCIAL
INFORMATION

TOWNSHIP OF EWING
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL FIDUCIARY FUND TYPES

MARCH 31, 2007

	Balance April 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2007</u>
<u>ASSETS</u>				
Cash	\$ -	\$ 247 068	\$ 247 068	\$ -
TOTAL ASSETS	\$ -	\$ 247 068	\$ 247 068	\$ -
<u>LIABILITIES</u>				
Due to other taxing units:				
Township of Ewing -				
General Fund	\$ -	\$ 28 366	\$ 28 366	\$ -
Road Fund	-	11 783	11 783	-
Marquette County		45 231	45 231	-
Intermediate School				
District	-	13 601	13 601	-
Area Schools	-	103 946	103 946	-
Tri-Township Fire				
Department	-	6 193	6 193	-
State of Michigan - S.E.T.	-	35 763	35 763	-
State of Michigan - C.F.A.	-	2 185	2 185	-
TOTAL LIABILITIES	\$ -	\$ 247 068	\$ 247 068	\$ -

REPORT ON COMPLIANCE
AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS

Supervisor and Members of the Board
Township of Ewing
Marquette County, Michigan

I have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Ewing Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements and have issued my report thereon dated August 28, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ewing Township's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance with State of Michigan deposit laws.

This report is intended solely for the information and use of the Township Board, management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Ray L. Payment
Certified Public Accountant